

**City of Menahga
Action Memorandum 18-026**

Subject: Accept the Reimbursement Check Issued to the City of Menahga by Nelson Auto Center

Agenda of: April 9, 2018

Council action: _____

Summary statement: Following allegations of overcharging for police vehicles on the State contract by a former employee at Nelson Auto Center, Otter Tail County began criminal prosecutions against the employee. The Minnesota BCA, along with the Minnesota Department of Administration, conducted an audit of the amounts paid by each agency. Based on the audit report, the City is owed \$616.

Nelson Auto Center sent the City a check, along with the Reimbursement Acceptance Letter. The letter states that by signing the form, the City agrees that:

1. Agency accepts the amount as full restitution, repayment, or reimbursement due to Agency resulting from charges for the vehicle(s) purchased under the above State purchasing, as described in the letter.
2. Agency understands the amount is based on State audit reports of the above State purchasing contract.
3. Agency agrees that no further reimbursement is due to Agency from Nelson Auto Center under the purchasing contract audited.

Action Memorandum 18-026 accepts the reimbursement check and the conditions listed in the Reimbursement Acceptance Form.

Fiscal information:

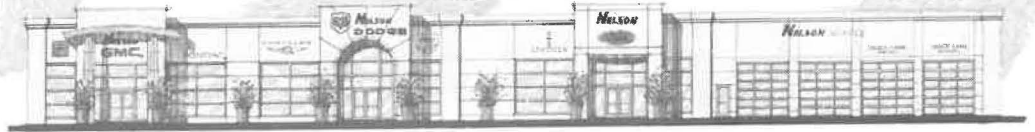
Total amount of funds listed in this legislation: \$ 616

This legislation (✓):

Has no fiscal impact Creates a positive impact in the amount of: \$ 616.00
 Creates a negative impact in the amount of: \$ _____

Funds are (✓):

Budgeted Line item(s): _____
 Not budgeted Affected line item(s): 406-42110-99000



2228 College Way • PO Box 635 • Fergus Falls, MN 56538-0635
218-998-8878 • 800-477-3013 • Fax 218-998-8810 • www.nelsonfergusfalls.com

Menahga Police Dept
Officer Martin Penner
115 2nd Street NE
Menahga, MN 56464

RE: Case Description: State of Minnesota vs Gerald Glen Worner
Co. Atty. File: 17F-288EV
Court File No: 56-CR-17-2211
Charge(s): 5 Counts of Theft-By Swindle

Dear Valued Customer:

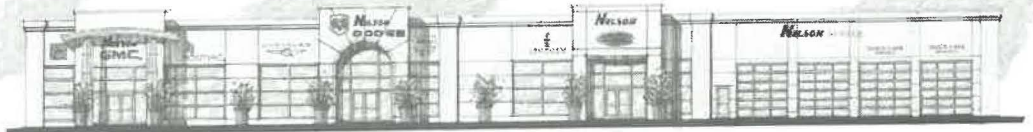
As you are aware, the Otter Tail County Attorney's office began a criminal prosecution against Gerald Worner concerning, and the State of Minnesota commenced an investigation regarding, certain charges for certain vehicles sold under State contracts administered by Mr. Worner, a former employee of Nelson Auto Center. In connection with those proceedings, audits were completed which conclude that certain charges are appropriate to be reimbursed to end purchasers, of which your agency is one. Nelson Auto Center, the Otter Tail County Attorney's office and the State of Minnesota have cooperated to assure that appropriate reimbursements are being made.

In compliance with the completed audits, we are sending the attached check for reimbursement for calculated overcharges on police units over the model years that were audited (2010 – 2017). The reimbursement includes the amount determined by the audit performed by the Minnesota Department of Administration Internal Auditor and the audit completed by the Minnesota Bureau of Criminal Apprehension (BCA), both completed in 2017. The MN Department of Administration audited contracts 440560, 438513, 56582, 89303, and 37669. The Minnesota BCA audited contract 83065.

Based on the State's audit report and the BCA's audit report the aggregate total due your department is:

Unit count: 2
Calculated overcharge reimbursement: \$616

Thank you for your patience as we all have waited for the audit results and final authority to release these funds. Your acceptance of the enclosed sum represents full and final acceptance of all restitution, repayment, or reimbursement due to you for all out-of-pocket



2228 College Way • PO Box 635 • Fergus Falls, MN 56538-0635
218-998-8878 • 800-477-3013 • Fax 218-998-8810 • www.nelsonfergusfalls.com

expenses arising out of above indicated vehicle(s). Please return to the above address a signed copy of the enclosed Reimbursement Acceptance Form, as evidence that payment has been made to you.

If you disagree with in amounts indicated you are owed, or if you have any questions regarding this letter, please contact me at the below number or email and I will be able to coordinate getting questions answered with the State of Minnesota and/or County Attorney's office. We appreciate your attention to this matter, as well as your continued business.

Respectfully,

Scott Tietz
Commercial & Fleet Manager
218-998-8878 ext. 8846
stietz@nelsonfleet.com

CC Betsy Hayes, State Procurement Officer
Michelle Eldien, Otter Tail County Attorney's Office

REIMBURSEMENT ACCEPTANCE FORM

State of Minnesota Purchasing Contracts Nos. 440560, 438513, 56582, 89303, 37669, and 83605

_____ (“Agency”), by its authorized representative signing below, acknowledges receipt of the reimbursement check issued to Agency by Nelson Auto Center by letter dated March 23, 2018, and agrees that:

1. Agency accepts the amount as full restitution, repayment, or reimbursement due to Agency resulting from charges for the vehicle(s) purchased under the above State purchasing contracts, as described in the letter.
2. Agency understands the amount is based on State audit reports of the above State purchasing contracts.
3. Agency agrees that no further reimbursement is due to Agency from Nelson Auto Center under on the purchasing contracts audited.

By signing below on behalf of the Agency, I represent that: I have the authority to sign on behalf of Agency; I have read and understand the contents of this Form; and that the Agency, by my signature, is bound by the terms of this Form.

Signed: _____
Print Name: _____
Title: _____
Date: _____, 2018